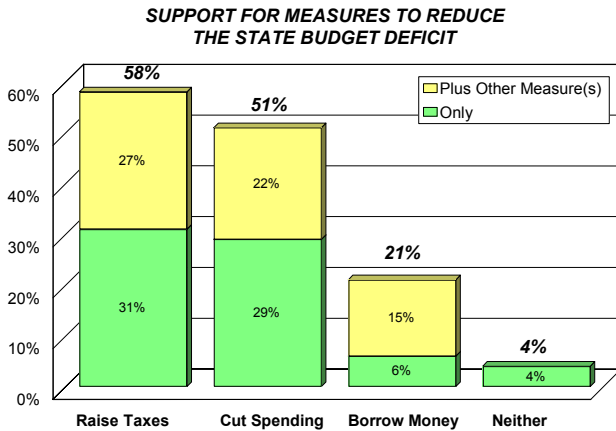




## **Time to Tax? Valley Leaders’ Responses Suggest Perhaps So**



According to a just-released survey, Valley business and community leaders acknowledge the need to take traditionally unpopular measures in order to improve Arizona’s fiscal health. The *Valley Influentials Poll*, a survey of members of Valley Leadership, Greater Phoenix Leadership, East Valley Partnership, and Westmarc, asked, “Which of the following measures should the state government adopt to reduce the budget deficit: borrow money, cut spending, raise taxes, or neither?” Nearly three-out-of-five (58%) respondents support

raising taxes. A majority (51%) also think the state should remedy the crisis by cutting spending. Less than one quarter (21%) of respondents support the idea of borrowing money. Interestingly, 30% of Valley leaders support a combination of the budget recovery measures. Only 5% back the adoption of all three measures, but sizable minority (15%) support cutting spending and raising taxes. These results suggest Valley leaders recognize the gravity of Arizona’s budget woes and, by and large, they are quite willing to shoulder some of the burden in order to pull the state out of debt.

**About the Poll.** The *O’Neil Associates Valley Influentials Poll* is a web-based survey that was sent to all members of Greater Phoenix Leadership, Valley Leadership, East Valley Partnership, and Westmarc. As such, this survey does not purport to be a random or representative sampling of the general population of the Phoenix metropolitan area. It would be difficult, however, to conceive of a more comprehensive representation from which to draw inferences about the opinions and sensibilities of *business and community leaders* than the combined membership of these organizations, although, inevitably, any definition of influentials is somewhat subjective. The persons surveyed are likely to exert disproportionate influence on and be an early indicator of community opinion by virtue of their position, community involvement, and political participation. The *O’Neil Associates Valley Influentials Poll* **was not sponsored or paid for by any outside organization**. Four hundred participants completed the survey between June 23 and July 2, 2003, yielding a margin of error of  $\pm 4.9\%$ . O’Neil Associates, Inc. is a Tempe-based public opinion research firm specializing in client-focused attitude and awareness studies for a wide variety of industries and organizations.

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FURTHER INFORMATION: Michael O’Neil, Ph.D., 480-967-4441 ext. 221 (weekend messages will be returned)

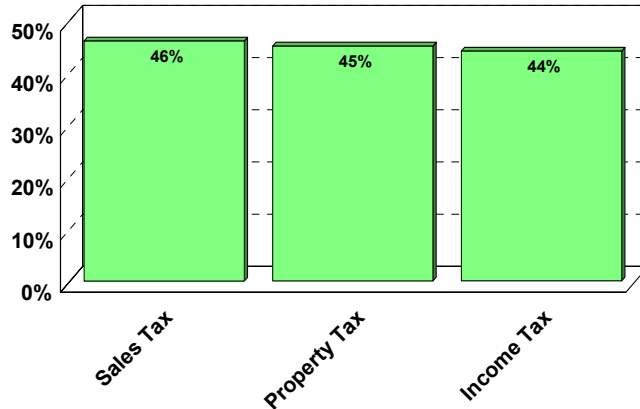
***These results may be reported freely provided that they are identified as the “O’Neil Associates Valley Influentials Poll” including identification on any graphic material.***

## No Consensus on Which Taxes to Raise

Valley leaders are remarkably split in their support for which taxes the state government should raise in order to reduce the deficit. Among the 58% in favor of a tax increase, there are nearly identical levels of support for boosting the sales tax (46%), property tax (45%), and income tax (44%). The levels of support for raising property and income taxes are particularly interesting considering that such increases tend to have a more pronounced effect on wealthier citizen, such as the community and business leaders surveyed for this poll. The nearly even distribution of support for increases among the taxes suggests that the state legislature would have flexibility but also some difficulty in choosing which tax to increase should they decide to that this course of action. The absence of consensus will likely make garnering significant support for any one measure a political challenge.

### Approval Among Tax Increase Supporters

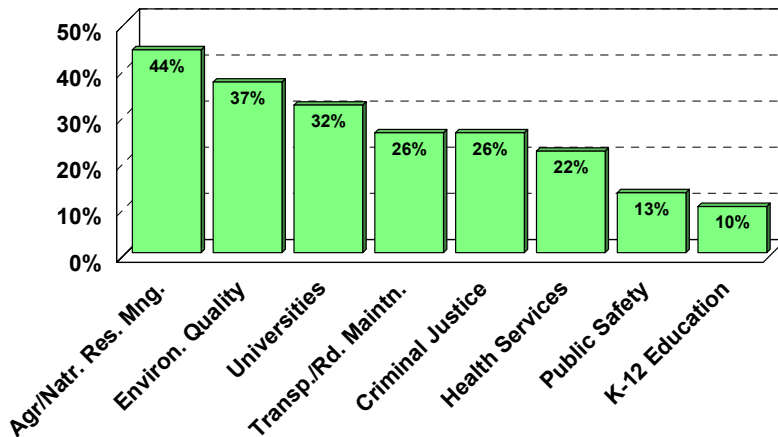
% Supporting Raising Tax in Order to Reduce AZ Budget Deficit



## Where to Trim the “Fat”

### Where to Cut State Spending

% Favoring Reduction in Program Funds Among Those Responding “Cut Spending”



The 51% who support cutting state spending were asked a follow up question regarding which programs should have their budgets reduced. The top sectors signaled out for cuts are “agricultural/natural resource management” (44%) and “environmental quality” (37%). Valley leaders are most reluctant to see funding reductions in public safety (13%) and K-12 education (10%). It should be noted that this measure is likely an overestimation of support for such cuts, considering that

respondents were only presented with broad sector titles. When specific services that fall under each sector are included in such questions, support for various spending cuts predictably declines.

*O'Neil Associates has tracked public opinion across the Valley, Arizona, and the Nation since 1981. To be healthy, public debate must be informed—this is why we commit our resources to measuring opinions on the political and social issues people care about and talk about. O'Neil Associates, however, is much more than that. While the **Valley Influentials Poll** and **Valley Monitor** may be our most publicly visible activities, we do most of our work for private businesses and organizations as well as state and other public agencies. As a full-service research firm, we assist our clients with a broad range of research efforts to measure customer satisfaction, improve customer service, fine-tune public images, focus marketing campaigns, engineer products, increase market shares, strengthen employee relations, and plan, refine, and assess business strategies.*

For more information about the firm conducting the poll, please visit  
[www.oneilresearch.com](http://www.oneilresearch.com)

For more information including just-released surveys on:

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  - The Economic Forecast: AZ and US
  - Attitudes on Affirmative Action
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